



South Carolina Department of Health and Environmental Control
Healthy People Healthy Communities

FY 2022-23 Budget Hearing
February 2, 2022

Agency Attendees

- **Dr. Edward Simmer** – Agency Director
- **Dr. Brannon Traxler** – Director of Public Health
- **Myra Reece** – Director of Environmental Affairs
- **Gwen Thompson** – Director of Healthcare Quality
- **Karla Buru** – Chief of Staff
- **Scott Jaillette** – Director of Legislative Affairs
- **Darbi MacPhail** – Chief Finance & Operations Officer

Healthy People Living in Healthy Communities

Director's 2022 Goals & Priorities :

- **Improve the quality of life for every South Carolinian.**
- **Provide every South Carolinian a safe and healthy environment in which to live.**
- **Gain control of COVID-19 in South Carolina so that South Carolinians can return to their normal lives.**
- **Implement a "People First" approach to everything DHEC does.**
- **Contribute to the development of a prosperous economy and business environment providing well-paying jobs for our residents.**
- **Ensure DHEC offers competitive salaries and is the best place to work in South Carolina.**
- **Fund and begin construction of a new state health and environmental laboratory.**

FY23 Budget Request

3 Key Focus Areas

INVESTING IN OUR:	# Requests	Recurring	Non-Recurring/ Capital	New FTEs	FTEs to State Funding
Workforce 	1	\$13,776,120			138
Infrastructure 	2		\$109,439,612		
Core Services 	12	\$13,833,162	\$16,226,666	82	32
TOTAL	15	\$27,609,282	\$125,666,278	82	170

Investing in Our Workforce



\$13,776,120

Critical Salary Increases



Recurring: \$13,776,120 (138 converted FTEs)

- **Need:** Staff salaries are below state and comparable averages contributing to high turnover, impacting critical services
- **Solution:** Increase salaries for **2,400 positions** in **54 targeted classifications**:
 - *Nursing*
 - *Specially Trained Scientists*
 - *Critical Classifications below State Average*
 - *Lowest Paid Classifications (SNAP Eligible)*
- Represents a **5.7% increase to agency personnel spending**, including prioritized phases if needed for partial implementation
- **Impact if not received:** Limited-service delivery will continue including extended permit timeframes and lost public health appointments. We will be unable to retain expertise and qualified staff.

Critical Salary Increases (cont.)



Impact Examples:

- We have **52%** fewer filled nursing positions now than in 2008
 - **24% average annual turnover** for all nursing classifications; some as high as 42%
 - *Competing not only with hospitals, but also other state agencies for staffing resources, with some offering up to \$20K sign-on bonuses*
 - *DHEC nurses provide critical services not provided elsewhere (TB case management, epidemiology investigations, many STD services), and provide services in underserved, rural areas*
 - *In the last year, vacant nursing positions resulted in **over 86,000** patient appointments likely missed*
- Administrative Specialist II positions have dropped **61%** from 2008 to 2021
 - **27% average annual turnover**
 - *Starting salary is \$24,929* or **\$11.99/hr.**; fast food and retail are offering \$13-17/hr.*
**Raised from \$23,190 following \$2.7M received in FY22*
- More than 20% of Environmental Health Manager positions in the Onsite Wastewater Program are routinely vacant
 - *Positions require **12-18 months** of training to perform soil evaluations*
 - *Staff turnover has increased septic system permit turnaround times to **38 days***

Investing in Our Infrastructure



\$109,439,612

Hayne Laboratory Replacement



Capital Request: \$104,400,000

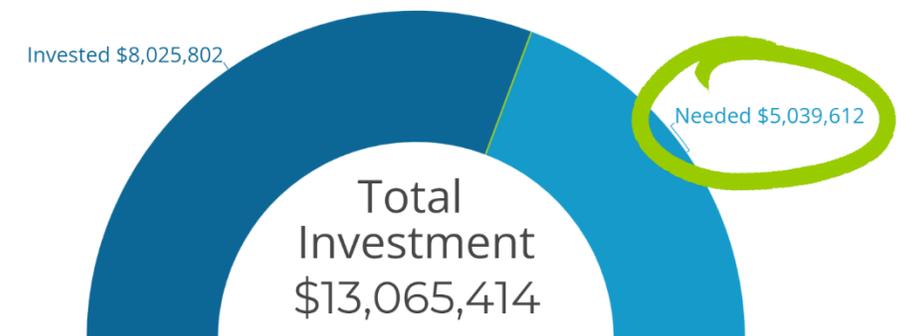
- **Need:** The **Hayne Building Laboratory** performs:
 - routine surveillance and outbreak testing for infectious disease
 - analyses for air and water quality, chemical and biological agents
 - newborn screening
- Current facility is beyond its expected useful life and is not large enough, nor has capacity to be upgraded to meet current regulatory or accreditation standards
- New structure identified as **urgent** need by Assoc. of Public Health Laboratories and CDC
- **Solution:** Replace current laboratory with new, larger facility to accommodate necessary equipment and existing personnel. Estimated costs are based on 2016 assessment, plus applicable inflation.
- **Impact if not received:** Continued lab testing disruptions will occur, delaying identification of illnesses, outbreaks and environmental hazards. Disruptions for reliable environmental data will impact SC businesses. Lab accreditation is at risk.

ePermitting Completion



Non-Recurring Request: \$5,039,612

- **Need:** ePermitting is an online one-stop shop for environmental permitting, which reduces turnaround times and costs for stakeholders. It also assists with meeting federal electronic reporting requirements. DHEC environmental programs have **already invested \$8M** in the system, but changes in program revenue mean funding is not available for completion.
- **Solution:** Provide one-time resources to complete system development for all permit programs
- **Impact if not received:** The ePermitting system will remain incomplete, leaving specific programs as slower paper-based processes without online tracking and accountability



Investing in Our Core Environmental and Public Health Services



\$30,059,828

Hazardous Waste Contingency Fund



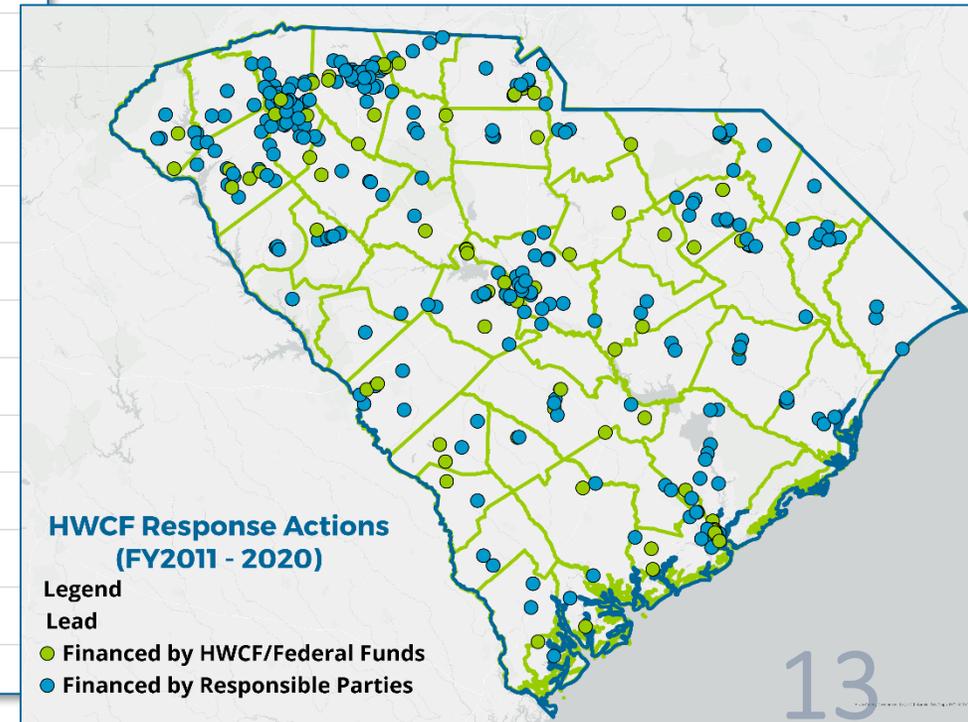
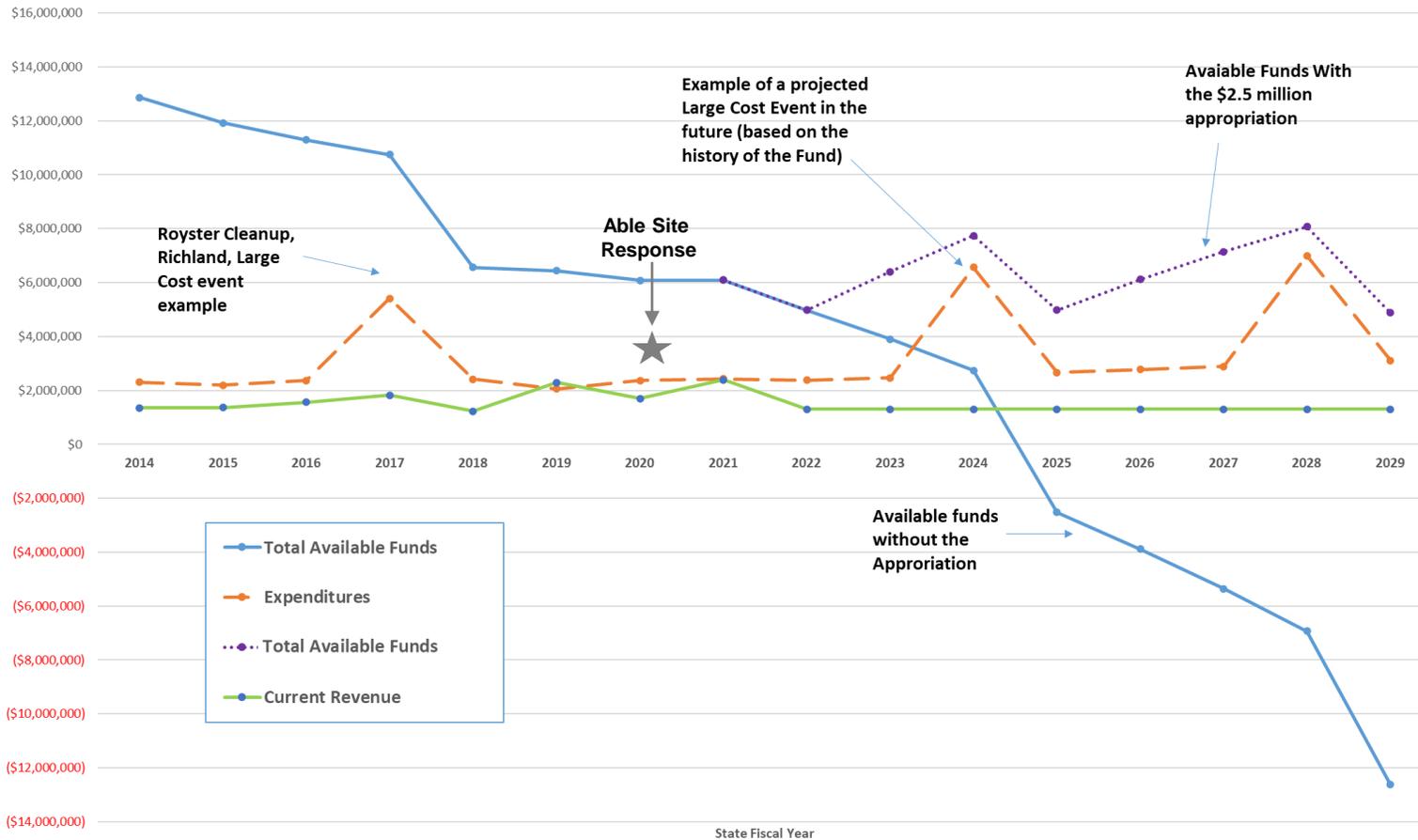
Recurring Request: \$2,500,000

- **Need:** The Hazardous Waste Contingency Fund (HWCF) balance has declined due to inadequate fee revenue established after the closure of the Pinewood facility as well as multiple large cleanup efforts totaling almost **\$10M in the last 10 years**
 - *Oversight and cleanup costs are also increasing*
 - *Without an appropriate balance in the HWCF, funds are not available to respond to hazardous waste emergencies or to leverage federal remediation resources*
- **Solution:** Deposit state funds in the HWCF annually to stabilize resources available for cleanup efforts and personnel costs associated with cleanup oversight
- **Impact if not received:** The **HWCF will run out as soon as FY2025**, eliminating DHEC's ability to respond to hazardous waste releases
 - *Existing cleanup contracts would be terminated, and **19 HWCF-funded FTEs lost***
 - *South Carolina could no longer receive Federal Superfund resources for cleanups without required **10% state cost share***
 - *If reimbursement for the Able Contracting site is not received, the balance will be repaid from the HWCF, emptying the fund and preventing response efforts (see request #14, slide 21, for more information)*

Hazardous Waste Contingency Fund (cont.)



HWCF Projected Expenditures, Revenue and Balances With, and Without, \$2.5M Appropriation

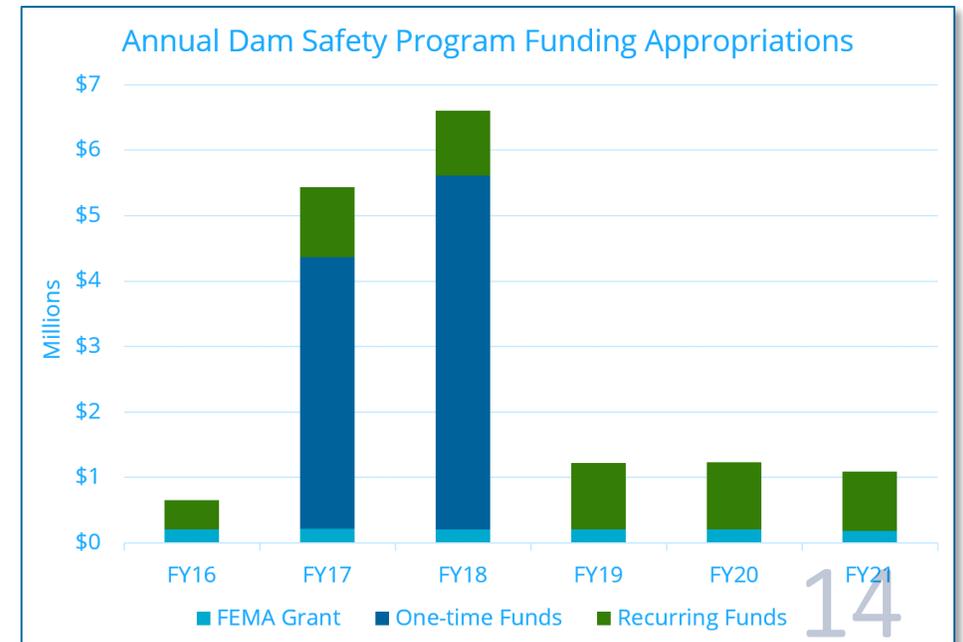


Dam Safety Staffing & Emergency Funding



Recurring Request: \$598,878 (FTEs: 1 new, 2 converted)

- **Need:** Over **30% of high hazard dams** and more than **37% of significant hazard dams** have been rated in poor or unsatisfactory condition in South Carolina
 - *Appropriated funding for emergency dam actions following the **historic flooding of 2015** has almost been exhausted*
 - *Federal resources are declining and are insufficient for staffing and appropriate dam owner training*
- **Solution:** Establish a Dam Safety Emergency Fund with **\$250k/year**
 - *Add **1 position** to assist with development of emergency action plans*
 - *Provide funding for current federally-funded staff*
- **Impact if not received:** DHEC will be unable to act on dams that are at imminent risk of failure
 - *Dam owners will receive limited training and assistance with development of emergency action plans*



Epidemiology Staffing for Disease Control



Recurring Request: \$1,825,245 (FTEs: 25 new)

- **Need:** COVID-19 has highlighted the role of epidemiologists (epis), but these staff faced a response burden before the pandemic
 - *Epis address all outbreak reports (678 in 2019), including measles, Hepatitis A and foodborne diseases*
 - *Their response is critical to controlling disease transmission within a community*
 - *South Carolina currently has 0.8 epis per 100,000 population*
 - The rate for similar sized states is **1.5/100,000**
 - Temporary staff have been used to supplement FTEs, but do not have thorough knowledge base
- **Solution:** Add **25 epi staff in DHEC regional offices** to increase to **1.25 epis per 100,000 population**
- **Impact if not received:** Slow response times to disease outbreaks may lead to additional disease burden, severity and death; ultimately leading to greater financial burden on South Carolinians. Continued use of temporary staff may result in improper guidance being provided to citizens.

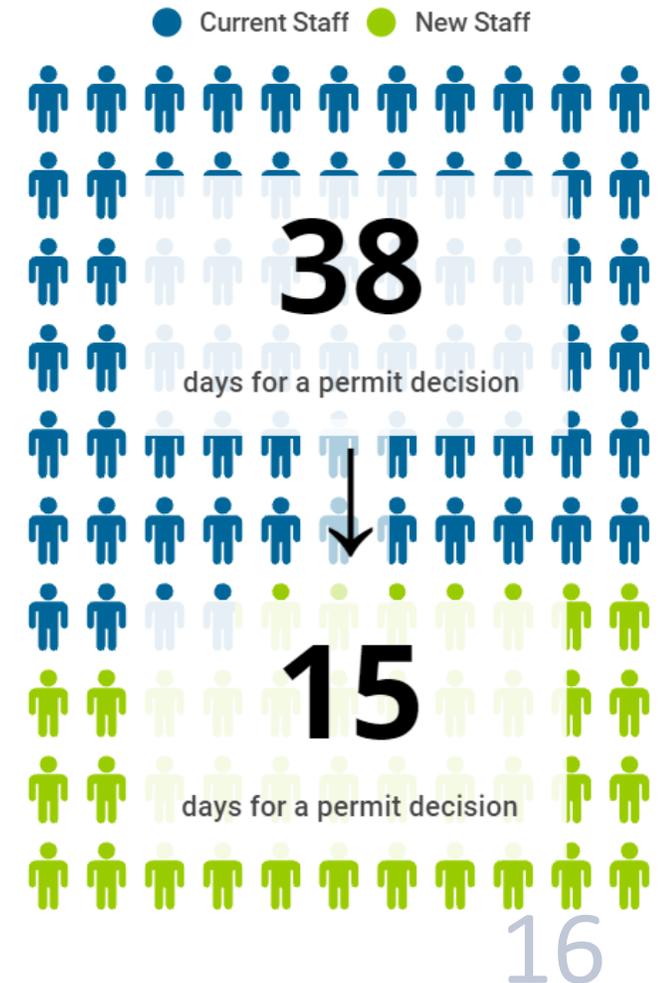
Improving Onsite Wastewater Timeframes



Recurring Request: \$4,518,414 (FTEs: 40 new)

Non-Recurring Request: \$981,078

- **Need:** High customer demand and limited staffing have resulted in significant backlogs for septic system permits, even after streamlining efforts and staff overtime
 - *In addition, only **18% of installed systems** receive a final DHEC inspection, resulting in potential environmental and public health concerns*
- **Solution:** Add staffing meet goal of **reducing permit time from 38 to 15 days** and inspect all system installations
 - *Also, work with Legislature on regulation change regarding site evaluations for subdivisions*
- **Impact if not received:** Permit turnaround times are anticipated to increase to **55 days or more**, delaying development and property closings
 - *Inspection numbers will also continue to fall*



Wastewater Facilities Backlog Reduction



Recurring Request: \$488,943 (FTEs: 5 new)

- **Need:** States implementing EPA's National Pollutant Discharge Elimination System (NPDES) face permitting backlogs nationwide
 - *This has recently been compounded by an increase in complex and controversial permits, as well as staff turnover due to a competitive job market*
 - *Federal grants have decreased, and fee revenue remains stagnant, which limits the ability to support current staff and increased costs*
 - **43% of South Carolina's permits** are currently expired
- **Solution:** Add staffing to reduce wastewater permitting turnover times by **25% for industrial and 33% for domestic**
 - *The staff increase will also **eliminate the 43% backlog over a period of 5 years** once fully staffed*
- **Impact if not received:** The permitting backlog will continue to grow, impacting economic growth and sustainability of critical infrastructure

Air Quality Program



Recurring Request: \$2,438,432 (FTEs: 27 converted)

- **Need:** Federal air emission limits have become stricter, requiring more oversight, while at the same time, fee revenue is declining
 - *Current projections indicate that the fund balance will be in a deficit in FY23*
 - *Funding is also needed to upgrade and maintain the air monitoring network, which provides critical data to determine South Carolina's attainment status with air quality standards*
- **Solution:** Support the program by moving a portion of staff funding onto state appropriations and providing funding for monitoring equipment
 - *This provides sustainable funding to continue work necessary for South Carolina to attain air quality standards and meet the needs of the business community*
- **Impact if not received:** Without adequate and sustainable funding, EPA may determine that DHEC is not adequately administering the air program and withdraw delegation
 - *This requires permits and oversight to be transferred to EPA*
 - *Further, without accurate air monitoring data supported by a modern network, **industries cannot obtain permits and DHEC cannot ensure clean air for South Carolinians***

Resource Conservation & Recovery Act (RCRA)



Recurring Request: \$650,488 (FTEs: 3 new, 3 converted)

- **Need:** Federal grant reductions, loss of senior staff and complex permit determinations have reduced capacity in the RCRA program
 - *Permit and review delays increase timeframes for development and place an undue burden on industry*
- **Solution:** Replace funding lost in federal grant reduction and increase staffing levels in the program
 - *This meets industry needs by reducing permit timeframes from **36 to 12 months** and providing regulatory relief*
- **Impact if not received: 23 permits** which expire in 2025 will not be renewed timely
 - *Impacted industries will remain under older, often more stringent regulations*
 - *Reviews for other permit decisions and regulatory determinations will take longer*
 - *This impacts economic development, particularly in the recycling industry*

Stormwater Compliance



Recurring Request: \$812,762 (FTEs: 8 new)

Non-Recurring Request: \$179,534

- **Need:** The Stormwater program responds to a high volume of complaints as well as routine inspections of construction sites and other facilities.
 - *Complaints have increased dramatically since 2019, nearly **doubling***
 - *Most are focused on sediment runoff from construction sites*
 - *Redirecting permit staff to address complaints increases permit issuance timeframes*
- **Solution:** Add 8 dedicated positions to provide compliance assistance, complaint investigation and develop of training tools for permittees and free up engineers to decrease permit timeframes
- **Impact if not received:** Lack of dedicated, trained investigators to address complaints leads to extended permitting timeframes which impacts new development
 - *Further, inadequate staff limits DHEC's ability to mitigate and resolve potential water quality impacts*

Number of Complaints by Calendar Year

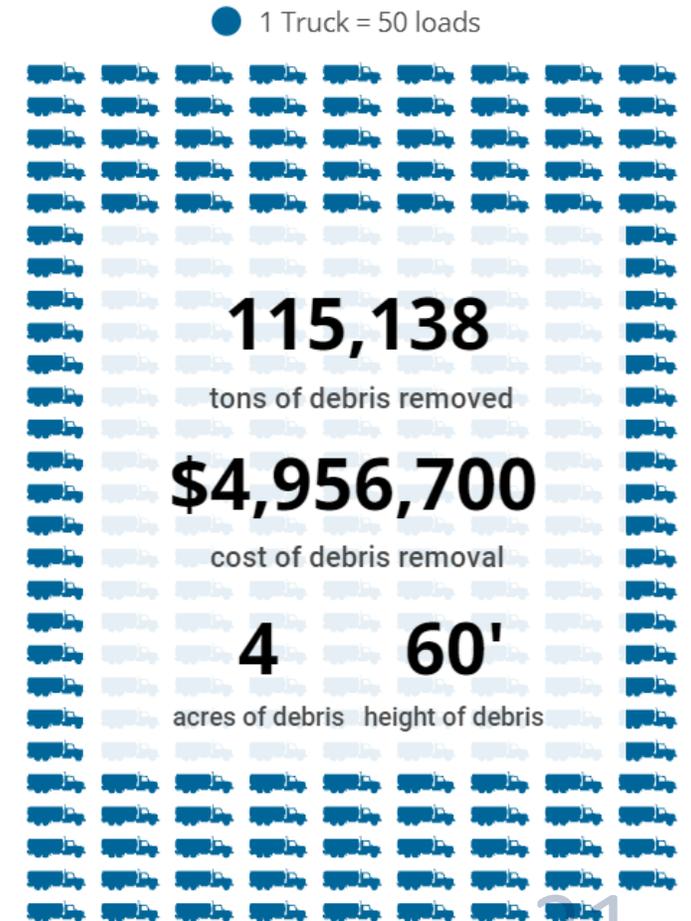


Able Contracting Emergency Removal Reimbursement



Non-Recurring Request: \$4,741,178

- **Need:** Cleanup of the Able Contracting, Inc. facility in Jasper county was necessary to ensure the health and safety of nearby residents and to reduce the potential impact on the environment
 - *115,138 tons of debris were removed from the site with no dedicated funding source*
- **Solution:** Reimburse DHEC for outstanding cleanup expenses, replenishing funds borrowed from other program areas
- **Impact if not received:** The deficit must be repaid by the Hazardous Waste Contingency Fund; emptying the fund. DHEC will be **unable to clean up hazardous waste releases in SC.**



Temporary Permitting Support



Non-Recurring Request: \$10,324,876

- **Need:** DHEC anticipates a large volume of infrastructure and economic development projects will begin using ARPA funds
 - *Most of these will require construction permits as well as other permits/inspections throughout the project*
 - *The number of projects and workload for permitting staff is estimated to increase by **25% or over 61,000 hours of work***
- **Solution:** Provide funding for temporary capacity to handle additional permitting workload
 - *This includes engineering consultants and temporary salary adjustments for current staff with increased workloads*
- **Impact if not received:** Timely project review to ensure smooth implementation will not occur; could put ARPA-funded projects at risk of missing completion deadlines
 - *Many environmental permitting programs are already understaffed and backlogged*



Budget Request Summary



Investing in our **WORKFORCE**
\$13,776,120

*1 recurring request
(138 existing FTEs to state funds)*



Investing in our **INFRASTRUCTURE**
\$109,439,612

*1 capital request
1 non-recurring request*



Investing in our **CORE SERVICES**
\$30,059,828

*8 recurring requests
(82 new FTEs, 32 existing FTEs to state funds)
4 non-recurring requests*



Total Request: \$153,275,560

Budget Request Context

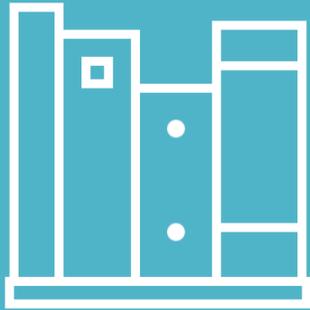
Total Request: \$153,275,560

Non-Recurring/Capital: \$125,666,278

Recurring: \$27,609,282

- 18.3% of FY22 Base State Appropriation/4.2% of Total Budget
- \$25,078,686 for Personnel (10.4% of Personnel Expenditures)
 - **Critical Salary Increases: \$13,776,120 (5.7% of expenditures)**
 - **New/Converted FTEs: \$11,302,566 (4.7% of expenditures)**
 - **Increases total authorized FTEs by 2%**

Proviso Requests



Proviso Change Summary

34.44 Wave Dissipation Device - Delete

- Not needed; device study completed in 2016.

34.58 Solar Projects - Amend

- Amendment directs DHEC to provide recommendations for regulations and extends timeframe to allow for meaningful public comment.

34.60 Onsite Wastewater Systems - Delete

- Not needed; DHEC working with Legislature to revise existing program.

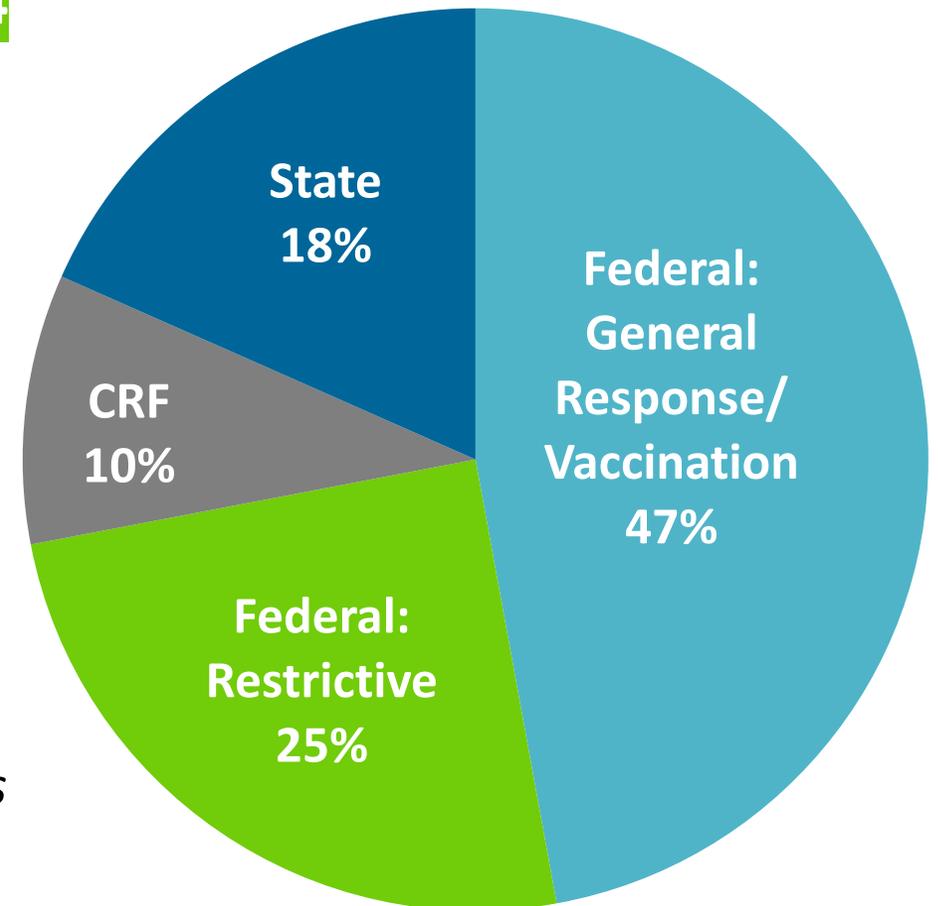
COVID-19 Funding Update



Current COVID-19 Funding

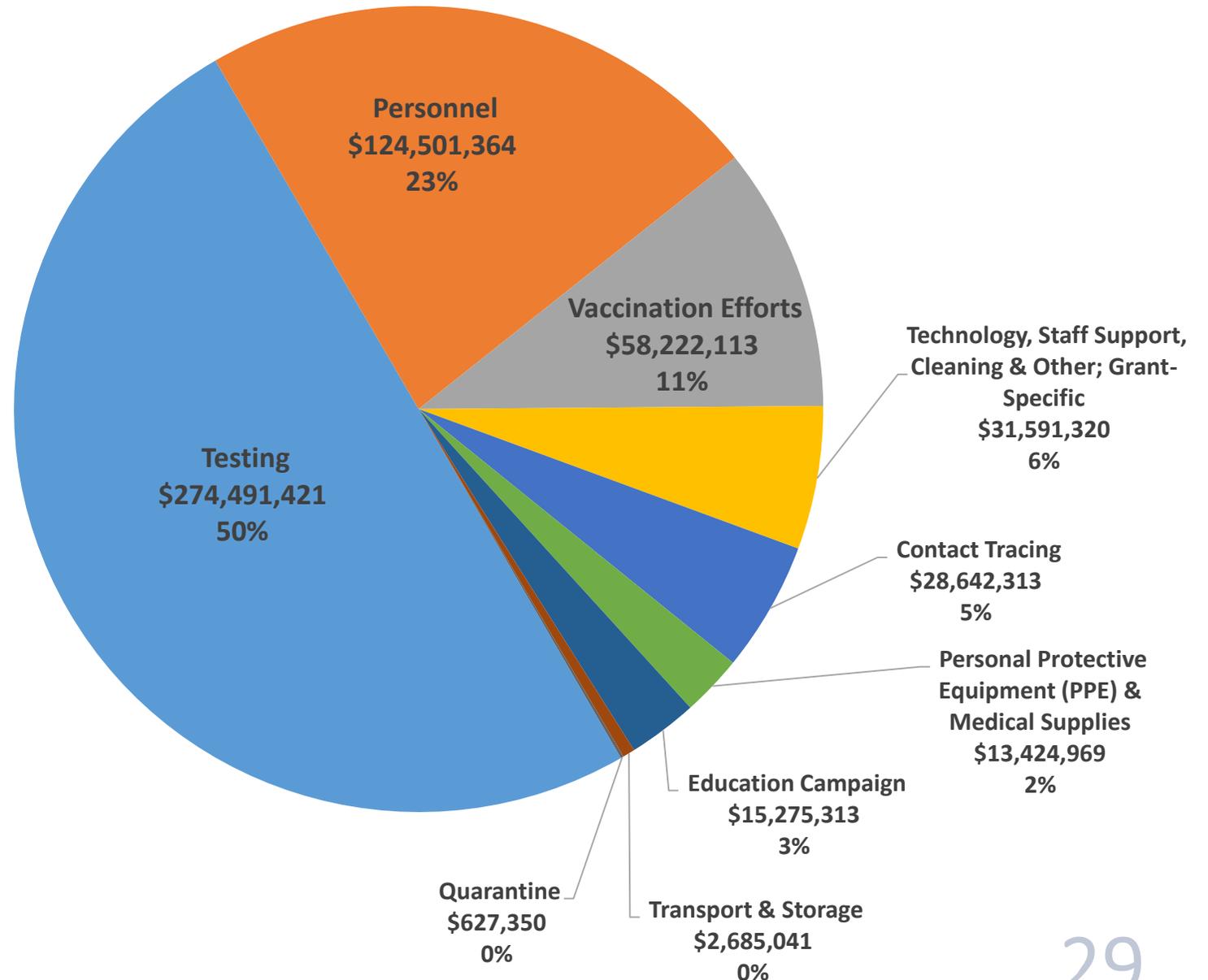
Total Accessible Funding - \$1.13B through 2024

- **46 Federal Grants: \$817M**
 - *\$534M for general response and vaccination*
- **Coronavirus Relief Funds (CRF): \$109M**
- **State Funds: \$208M**
 - *\$45M COVID Response Fund*
 - *\$100M Vaccine Providers*
 - *\$63M Contingency Reserve*
- **FEMA reimbursement ongoing**
 - *Seeking reimbursement for allowable expenditures*
 - *To date: Submitted \$66M / Received \$35M*



COVID-19 Expenditures

\$549,461,204
(as of 1/12/2022)



Future COVID-19 Funding Outlook

Spent \$549,461,204 as of Jan. 12, 2022

- In first 12 days of 2022, we issued >\$57M in new POs for turnkey testing and take-home tests to help with current surge; anticipate significantly more
- Grants fund activities through 2024; cannot all be used immediately
- Many grants have specific requirements and cannot fund general response efforts

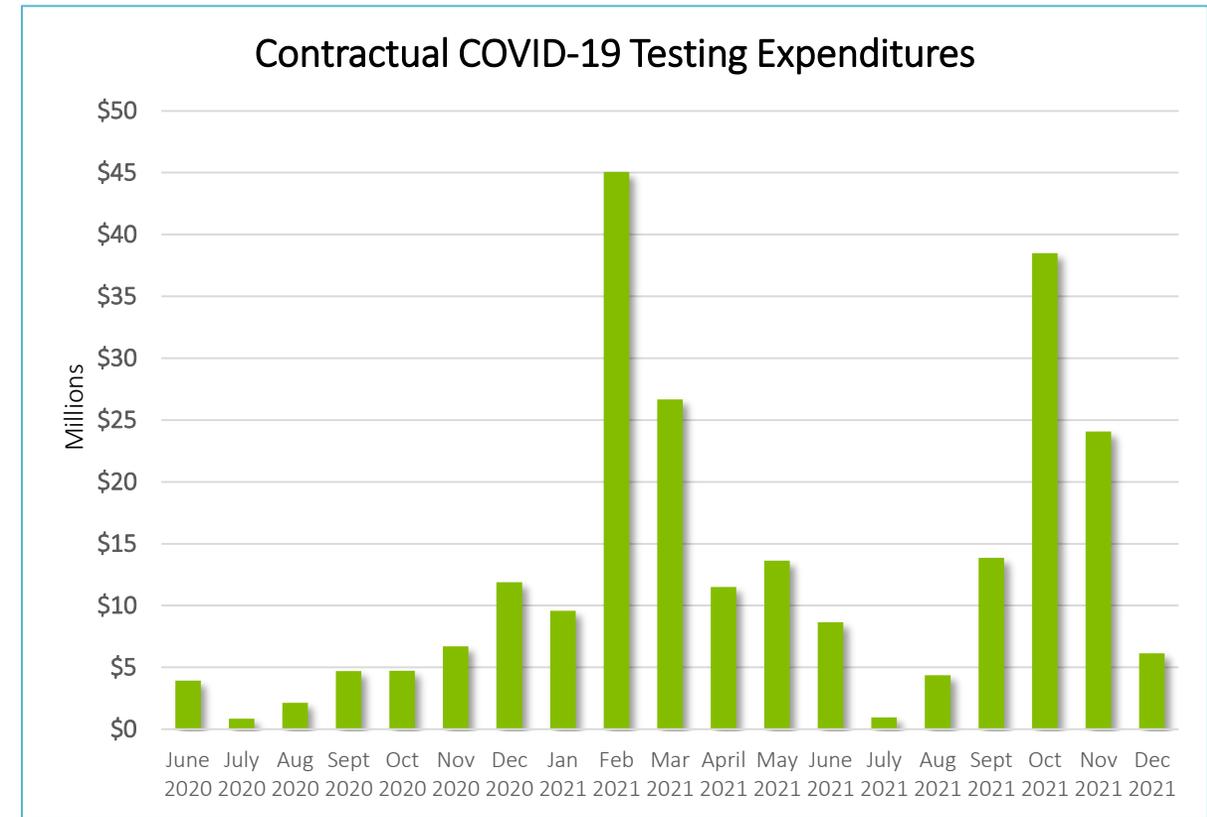
Looking Forward:

- Additional federal funding unknown
 - *Not anticipating additional general COVID-19 support funding*
- Testing costs remain largest expenditure

Future COVID-19 Funding Outlook (cont.)

A Closer Look at Testing Costs:

- Spent **\$239M** on contractual testing costs to date
 - Averaging **>\$12M per month**
 - October 2021 averaged **>\$10M per week**
 - Does not include costs from current surge
- Anticipated spending \$103M in federal funds on contractual testing; have spent/encumbered >\$150M
- FEMA funds will likely cover most contractual testing costs through 3/31/22
- **Will need additional contingency funding** to cover costs while waiting on FEMA reimbursement & for testing beyond 3/31/22



(Reflects payment date, not service date)



S.C. Department of Health and
Environmental Control

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